

TWC ENTERPRISES LIMITED
Interim Condensed Consolidated Balance Sheets (Unaudited)

(thousands of Canadian dollars)	Notes	September 30, 2019	December 31, 2018	September 30, 2018
ASSETS				(restated-note 3)
Current				
Cash and cash equivalents		\$ 123,625	\$ 137,207	\$ 152,776
Accounts receivable		14,687	38,104	47,009
Mortgages and loans receivable		45,787	47,815	8,278
Inventories and prepaid expenses		8,745	4,937	8,641
Other assets	4	25,856	23,147	28,382
		218,700	251,210	245,086
Mortgages and loans receivable		4,292	2,721	1,441
Other assets	4	23,258	8,517	8,804
Right-of-use assets	5	18,016	-	-
Property, plant and equipment	6	418,249	423,763	433,667
Intangible assets	7	16,028	16,865	17,174
Total assets		\$ 698,543	\$ 703,076	\$ 706,172
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current				
Accounts payable and accrued liabilities	8	\$ 32,803	\$ 26,851	\$ 42,892
Lease liabilities	9	5,083	528	573
Borrowings	10	20,837	18,643	18,264
Prepaid annual dues and deposits		19,506	12,560	19,885
		78,229	58,582	81,614
Lease liabilities	9	13,853	338	472
Borrowings	10	115,306	147,116	131,954
Deferred membership fees	11	8,247	9,682	11,060
Deferred income tax liabilities		50,066	48,777	48,063
Total liabilities		265,701	264,495	273,163
Share capital	13	109,568	111,744	111,865
Retained earnings		318,307	321,308	316,123
Accumulated other comprehensive earnings		4,967	5,529	5,021
Total shareholders' equity		432,842	438,581	433,009
Total liabilities and shareholders' equity		\$ 698,543	\$ 703,076	\$ 706,172

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

TWC ENTERPRISES LIMITED
Interim Condensed Consolidated Statements of Earnings (Loss)
and Comprehensive Earnings (Loss) (Unaudited)

(thousands of Canadian dollars, except per share amounts)	Notes	For the three months ended		For the nine months ended	
		September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
REVENUE					
Operating revenue		\$ 65,260	\$ 65,351	\$ 134,496	\$ 136,906
Amortization of membership fees	11	1,480	1,807	4,033	5,145
	12	66,740	67,158	138,529	142,051
EXPENSES					
Cost of sales		11,299	11,282	19,148	19,677
Labour and employee benefits		26,765	26,454	57,942	57,961
Utilities		2,168	2,612	6,071	6,216
Selling, general and administrative		1,388	1,443	4,213	3,941
Property taxes		540	582	3,208	3,331
Repairs and maintenance		1,195	1,285	3,448	3,648
Insurance		673	679	2,042	1,939
Fertilizers and pest control products		1,017	857	1,981	2,163
Fuel and oil		569	659	1,114	1,255
Other operating expenses		4,470	4,735	11,228	11,222
Depreciation of right-of-use assets	5	1,294	-	3,880	-
Depreciation of property, plant and equipment	6	3,431	3,769	10,494	11,351
Amortization of intangible assets	7	268	271	803	802
Land lease rent		-	1,097	-	3,292
Interest, net and investment income	14	1,317	2,522	4,126	10,030
Other items	15	(357)	(3,169)	7,594	(3,105)
		56,037	55,078	137,292	133,723
Earnings before income taxes		10,703	12,080	1,237	8,328
Income tax provision					
Current		2,500	1,801	1,081	1,301
Deferred		881	1,433	111	1,257
		3,381	3,234	1,192	2,558
Net earnings from continuing operations		7,322	8,846	45	5,770
Net earnings from discontinued operations	3	-	211,587	-	214,434
Net earnings		7,322	220,433	45	220,204
Unrealized foreign exchange gain (loss) in respect of foreign operations		255	(1,455)	(562)	3,750
Unrealized loss on hedge of net investment in foreign operations; net of tax recovery of \$0 for the nine months ended September 30, 2019 (September 30, 2018 - \$67)		-	170	-	(436)
Total comprehensive earnings (loss)		\$ 7,577	\$ 219,148	\$ (517)	\$ 223,518
Weighted average shares outstanding (000)	13	27,130	27,334	27,234	27,342
Earnings per share from continuing operations		\$ 0.27	\$ 0.32	\$ 0.00	\$ 0.21
Earnings per share from discontinued operations	3	\$ -	\$ 7.74	\$ -	\$ 7.84
Earnings per share - basic and diluted	13	\$ 0.27	\$ 8.06	\$ 0.00	\$ 8.05

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

TWC ENTERPRISES LIMITED

Interim Condensed Consolidated Statements of Changes in Shareholders' Equity (Unaudited)

(thousands of Canadian dollars except common shares)	Note	Common Shares	Share Capital	Retained Earnings	Accumulated Other Comprehensive Earnings (Loss)	Total Shareholders' Equity
Balance, January 1, 2018		27,345,540	\$ 111,987	\$ 97,801	\$ 23,370	\$ 233,158
Comprehensive earnings		-	-	220,204	3,314	223,518
Cash dividend	13B	-	-	(1,640)	-	(1,640)
Other		(1)	-	-	-	-
Realized foreign exchange upon divestiture of White Pass		-	-	-	(21,663)	(21,663)
Shares cancelled subject to normal course issuer bid	13C	(29,800)	(122)	(242)	-	(364)
Balance, September 30, 2018		27,315,739	111,865	316,123	5,021	433,009
Comprehensive earnings		-	-	3,090	508	3,598
Cash dividend	13B	-	-	(546)	-	(546)
Prior period adjustment	3	-	-	2,895	-	2,895
Shares cancelled subject to normal course issuer bid	13C	(29,687)	(121)	(254)	-	(375)
Balance, December 31, 2018 (restated-note 3)		27,286,052	111,744	321,308	5,529	438,581
Adoption of IFRS 16	2	-	-	3,298	-	3,298
Comprehensive earnings (loss)		-	-	45	(562)	(517)
Cash dividend	13B	-	-	(1,638)	-	(1,638)
Shares cancelled subject to normal course issuer bid	13C	(531,332)	(2,176)	(4,706)	-	(6,882)
Balance, September 30, 2019		26,754,720	\$ 109,568	\$ 318,307	\$ 4,967	\$ 432,842

TWC ENTERPRISES LIMITED

Interim Condensed Consolidated Statements of Cash Flow (Unaudited)

(thousands of Canadian dollars)	Notes	For the three months ended		For the nine months ended	
		September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
OPERATING ACTIVITIES					
Net income		\$ 7,322	\$ 220,433	\$ 45	\$ 220,204
Items not affecting cash:					
Amortization of membership fees	11	(1,480)	(1,807)	(4,033)	(5,145)
Depreciation of property, plant and equipment	6	3,431	3,769	10,494	15,150
Depreciation of right-of-use assets	5	1,294	-	3,880	-
Amortization of intangible assets	7	268	271	803	802
Land lease rent expense		-	1,125	-	3,441
Interest, net	14	1,317	2,892	4,126	11,134
Unrealized foreign exchange loss		(400)	1,398	2,206	1,398
Unrealized loss (gain) on shares held for trading		943	(2,491)	3,685	(2,491)
Gain on divestiture of White Pass		-	(262,311)	-	(262,311)
Gain on sale of capital assets	6	(167)	(125)	(462)	(407)
Income tax provision		3,381	64,595	1,192	65,053
Collection of membership fee instalments	11	1,897	2,052	2,610	3,229
Interest paid		(1,287)	(3,002)	(4,049)	(11,090)
Income taxes paid		(693)	(59,636)	(5,982)	(61,149)
Accounts receivable		5,226	(405)	22,667	(20,578)
Inventories and prepaid expenses		3,762	4,943	(3,808)	(3,533)
Accounts payable and accrued liabilities		(772)	1,209	16,216	18,933
Prepaid annual dues and deposits		(18,866)	(18,707)	6,946	7,165
Cash and cash equivalents provided by (used in) operating activities		5,176	(45,797)	56,536	(20,195)
INVESTING ACTIVITIES					
Operating property, plant and equipment expenditures	6	(1,626)	(2,266)	(5,027)	(8,248)
Expansion property, plant and equipment expenditures	6	(282)	(1,390)	(1,197)	(8,155)
Proceeds on divestiture of White Pass		-	351,236	-	351,236
Proceeds on sale of capital assets	6	203	-	624	307
Joint venture acquisition	4	(9,301)	-	(9,301)	-
Marketable securities		(6,393)	-	(6,393)	-
Other long-term assets		(80)	(53)	(191)	3,867
Cash provided by (used in) investing activities		(17,479)	347,527	(21,485)	339,007
FINANCING ACTIVITIES					
Deferred financing costs		(9)	(79)	(9)	(86)
Revolving borrowings		-	(110,828)	(20,689)	(112,869)
Non-revolving borrowings - amortization payments		(4,692)	(4,571)	(13,839)	(14,254)
Term debt - maturities		-	(24,935)	-	(24,935)
Lease liabilities		(1,258)	(1,530)	(3,826)	(4,761)
Mortgages and loans receivable		(8,542)	(8,740)	(2,015)	(8,737)
Shares repurchased for cancellation	13	(6,882)	(358)	(6,882)	(364)
Dividends paid	13	(546)	(546)	(1,638)	(1,640)
Cash used in financing activities		(21,929)	(151,587)	(48,898)	(167,646)
Net effect of currency translation adjustment on cash and cash equivalents		1	977	265	762
Net increase in cash and cash equivalents during the period		(34,231)	151,120	(13,582)	151,928
Cash and cash equivalents, beginning of period		157,856	1,656	137,207	848
Cash and cash equivalents, end of period		\$ 123,625	\$ 152,776	\$ 123,625	\$ 152,776

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited)

September 30, 2019

1. NATURE OF OPERATIONS

TWC Enterprises Limited (the “Company” or “TWC”) was formed under the laws of Canada. The Company’s executive office is located at 15675 Dufferin Street, King City, Ontario L7B 1K5. TWC is a publicly traded company on the Toronto Stock Exchange (“TSX”) under the symbol “TWC.”

TWC is engaged in golf club operations under the trademark “ClubLink One Membership More Golf.” TWC is Canada’s largest owner, operator and manager of golf clubs with 53½, 18-hole equivalent championship and 3½, 18-hole equivalent academy courses at 41 locations in Ontario, Quebec and Florida (including one managed property).

The golf club operations located in the United States have a functional currency in United States (“US”) dollars, which are translated into Canadian dollars for reporting purposes in these consolidated financial statements.

2. BASIS OF PRESENTATION

The interim condensed consolidated financial statements (the “financial statements”) have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

This interim financial quarterly report has been prepared in compliance with IAS 34.

These financial statements were authorized for issuance by the Board of Directors on November 5, 2019.

These financial statements have been prepared on a basis consistent with the Company’s annual audited consolidated financial statements for the year ended December 31, 2018 with the exception of the new accounting policies that were adopted on January 1, 2019 as described later on in this note. Accordingly, certain information and disclosures normally required to be included in notes to annual financial statements have been condensed or omitted. Accordingly, these financial statements should be read in conjunction with the annual consolidated financial statements and the notes thereto for the year ended December 31, 2018. These financial statements were prepared on a going concern basis, under the historical cost model.

Due to the seasonal nature of the golf club operations in which the Company currently operates, the second and third quarters of the fiscal year account for, and are expected to account for, a greater portion of revenue and earnings than do the first and fourth quarters of each fiscal year. This seasonal pattern may cause the Company’s operating revenue and net operating income to vary significantly from quarter to quarter with consequential impacts on related working capital balances. Due to this seasonality, a consolidated balance sheet as at September 30, 2018 has been presented for comparative purposes.

The functional currency of TWC and its subsidiaries is the local currency. The assets and liabilities of TWC’s foreign operations where the functional currency is not the Canadian dollar are translated using the rate of exchange at the balance sheet date, whereas revenue and expenses are translated using average exchange rates during the respective periods. The resulting foreign currency translation adjustments are included in accumulated other comprehensive earnings or loss. This is the only component in this category. The accumulated balance of the foreign currency translation reserve reflects the differences since January 1, 2010, the transition date to IFRS. When a foreign operation is disposed of, the foreign currency translation adjustment applicable to that entity is recognized in the consolidated statement of earnings.

Effective January 1, 2016, TWC declared its 8.00% USD mortgage facility as a hedge against its net investment in White Pass up until the time of the divestiture of White Pass (July 31, 2018). In this type of hedging relationship, the change in value of the “effective” portion of the derivative instrument is recognized in other comprehensive income and the change in value of the “ineffective” portion is recognized in profit or loss. Accordingly, the foreign exchange translation gain or loss on this mortgage was reflected in accumulated other comprehensive income effective January 1, 2016 until July 31, 2018. The amounts recognized in other comprehensive income were reclassified to the consolidated statement of earnings as part of the divestiture of White Pass.

TWC ENTERPRISES LIMITED
Notes to Interim Condensed Consolidated Financial Statements (Unaudited)
September 30, 2019

2. BASIS OF PRESENTATION (continued)

New Accounting Pronouncements

The Company has adopted the following new accounting standards effective January 1, 2019.

IFRS 16, Leases

IFRS 16, Leases (“IFRS 16”) was issued by the IASB on January 13, 2016, and replaces IAS 17, Leases. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The standard is effective for annual periods beginning on or after January 1, 2019, with early application permitted if IFRS 15 has also been applied. The Company applied this standard effective January 1, 2019 using the modified retrospective approach whereby any transitional impact is recorded in equity as at January 1, 2019 and comparative periods are not restated.

At the commencement date of a lease, a lessee will recognize a liability to make lease payments and an asset representing the right-of-use to use the underlying asset during the lease term. Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset. The standard includes two recognition exemptions for leases; leases of ‘low-value’ assets and short-term leases. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events (i.e. a change in lease term, a change in future lease payments resulting from a change in an index or rate used to determine payments).

The Company has reviewed all lease contracts in which it is a lessee, and has accounted for all contracts outside of exceptions detailed below. The Company has elected to use the exemptions proposed by the standard on lease contracts for which the lease term ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value. As the Company applied IFRS 16 for the first time for the year ending December 31, 2019, total assets as of January 1, 2019 increased by \$21,903,000 along with a corresponding increase to total liabilities of \$21,903,000. Retained earnings as of January 1, 2019 increased by \$3,298,000 due to the reversal of accrued land lease rent (\$4,487,000 net of deferred tax of \$1,189,000) which represents additional straight line rent previously expensed compared to cash payments. Right-of-use assets are depreciated on a straight-line basis over the term of the lease.

IFRIC Interpretation 23, Uncertainty over Income Tax Treatment (“IFRIC 23”)

IFRIC 23 addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 and does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments collectively
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers the effect of changes in facts and circumstances

An entity applies IFRIC 23 for annual reporting periods beginning on or after January 1, 2019. The requirements are applied by recognizing the cumulative effect of initially applying them in retained earnings, or in other appropriate components of equity, at the start of the reporting period in which an entity first applies them, without adjusting comparative information. Full retrospective application is permitted, if an entity can do so without using hindsight.

The IFRIC Interpretation did not have an impact on the Company’s consolidated financial statements.

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited)

September 30, 2019

3. DIVESTITURE AND DISCONTINUED OPERATIONS

TWC was previously engaged in rail and port operations based in Skagway, Alaska which operate under the trade name White Pass & Yukon Route (“White Pass”). The railway stretches approximately 110 kilometres (67.5 miles) from Skagway, Alaska to Carcross, Yukon. In addition, White Pass operates three docks, primarily for cruise ships. White Pass was divested on July 31, 2018.

On June 6, 2018, TWC announced that it entered into a purchase and sale agreement to sell the White Pass rail and port operations to a joint venture for proceeds of US\$290,000,000. Closing on July 31, 2018, the transaction represented a sale of the complete operations of White Pass. Consequently, this segment is being presented as discontinued operations in the financial statements.

The results of the discontinued operations consist of the following:

(thousands of Canadian dollars, except per share amounts)	Notes	For the three months ended		For the nine months ended	
		September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
REVENUE					
Operating revenue		\$ -	\$ 15,005	\$ -	\$ 36,555
EXPENSES					
Direct operating expenses and other items		-	3,373	-	16,885
Depreciation of property, plant and equipment	7	-	-	-	3,799
Land lease rent		-	28	-	149
Interest, net		-	370	-	1,104
Subtotal			11,234		14,618
Gain on divestiture of White Pass			262,311		262,311
Earnings before income taxes		-	273,545	-	276,929
Income tax expense		-	61,958	-	62,495
Net earnings		\$ -	\$ 211,587	\$ -	\$ 214,434
Weighted average shares outstanding (000)		-	27,334	-	27,342
Earnings per share basic and diluted		\$ -	\$ 7.74	\$ -	\$ 7.84

The net cash flows used in the discontinued operations are as follows:

(thousands of Canadian dollars)	For the three months ended		For the nine months ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Cash and cash equivalents used in operating activities	\$ -	\$ (56,045)	\$ -	\$ (54,683)
Cash and cash equivalents provided by investing activities	-	378,334	-	370,110
Cash and cash equivalents used in financing activities	-	(63,013)	-	(52,322)
Net cash flows	\$ -	\$ 259,276	\$ -	\$ 263,105

As part of the process of filing the Company’s 2018 income tax returns, management determined the amount of income tax liability in relation to this transaction should be reduced by \$2,895,000 from amounts previously recorded. This prior period error relates to the tax on the gain on the sale of White Pass that took place in the third quarter of 2018, and it reduces the tax expense on the gain as originally reported. It has been corrected through the retrospective restatement of the results and reflected on the balance sheet as at December 31, 2018.

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited)

September 30, 2019

4. OTHER ASSETS

Other assets consist of the following:

(thousands of Canadian dollars)	September 30, 2019	December 31, 2018
Investment in joint ventures	\$ 22,496	\$ 7,834
Common shares in Carnival plc (349,958 shares denominated in GBP)	19,463	23,147
Investment in marketable securities	6,393	-
Other	762	683
	49,114	31,664
Less: current portion	25,856	23,147
Other assets	\$ 23,258	\$ 8,517

The Company's investment in joint ventures consist of the following:

(thousands of Canadian dollars)	September 30, 2019	December 31, 2018
Balance, beginning of period	\$ 7,834	\$ 11,955
Acquisition	14,501	-
Equity income	161	-
Net spending on investments	-	(4,121)
Balance, end of period	\$ 22,496	\$ 7,834

On August 16, 2019, TWC purchased a 50% interest in a real estate management company and various real estate housing investments with ownership percentage ranging from 11.67% to 23.33% for \$14,501,000. This purchase price was broken down into a cash outlay of \$9,301,000 and promissory notes in the amount of \$5,200,000. Included in this acquisition was an 11.67% interest in the Highland Gate project, bringing TWC's total interest to be 61.67%. Notwithstanding this fact, TWC does not control this project due to the fact that the Company can only nominate one of the two directors for this asset. Therefore, Highland Gate is jointly controlled and is accounted for as a joint venture.

Control of the real estate management company and the various real estate housing investments is shared with TWC's partners and are considered to be joint ventures which are to be accounted for using the equity accounting method. The real estate management company manages the real estate housing investments acquired.

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited)

September 30, 2019

4. OTHER ASSETS (continued)

Summarized financial information for the real estate management company and the real estate housing investments at 100% and TWC's ownership interest is provided below:

				September 30, 2019	December 31, 2018
(thousands of Canadian dollars)	Highland Gate	Real Estate Management Company	Real Estate Housing Investments	Total	Total
Current assets	\$ 447	\$ 4,752	\$ 1,402	\$ 6,601	\$ 2,173
Land and other long-term assets	54,221	13,137	36,078	103,436	37,796
Secured project debt	(26,273)	-	(22,519)	(48,792)	(17,078)
Loan from TWC	-	(1,528)	-	(1,528)	-
Liabilities	(4,730)	(2,414)	(4,004)	(11,148)	(5,829)
Net assets at 100%	23,665	13,947	10,957	48,569	17,062
Net assets at Company's share	14,594	6,974	1,625	23,193	8,531
Deferred profit	(697)	-	-	(697)	(697)
Net assets	\$ 13,897	\$ 6,974	\$ 1,625	\$ 22,496	\$ 7,834
Attributable to TWC	\$ 13,897	\$ 6,974	\$ 1,625	\$ 22,496	\$ 7,834
Attributable to partners	\$ 9,768	\$ 6,973	\$ 9,332	\$ 26,073	\$ 7,834
Equity income (loss)	\$ 205	\$ (44)	\$ -	\$ 161	\$ -
Acquisition amount	\$ 5,858	\$ 7,018	\$ 1,625	\$ 14,501	\$ -

The Company is still in the process of identifying and assigning the net fair value of the investee's identifiable assets and liabilities from the August 16, 2019 transaction. The above has been presented on a preliminary basis and will be revised, if necessary, in the December 31, 2019 financial statements.

5. RIGHT-OF-USE ASSETS

Right-of-use assets consists of the following:

(thousands of Canadian dollars)	Land and Buildings	Equipment	Total
At December 31, 2018	\$ -	\$ -	\$ -
Adoption of IFRS 16 (note 2)	21,372	531	21,903
Depreciation	(3,757)	(123)	(3,880)
Foreign exchange	-	(7)	(7)
At September 30, 2019	\$ 17,615	\$ 401	\$ 18,016

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited)

September 30, 2019

6. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

(thousands of Canadian dollars)	Land	Buildings and Land Improvements	Docks	Bunkers, Cart Paths and Irrigation	Rolling Stock and Equipment	Total
Cost						
At January 1, 2018	\$ 309,316	\$ 210,978	\$ 80,359	\$ 108,126	\$ 168,197	\$ 876,976
Additions	2,186	1,237	3,309	2,149	10,095	18,976
Divestiture	(17,459)	(51,150)	(86,695)	-	(86,071)	(241,375)
Impairment	(2,981)	(2,514)	-	(3,716)	(2,105)	(11,316)
Disposals	(663)	(2,220)	-	(3,137)	(4,485)	(10,505)
Foreign exchange difference	1,800	2,846	3,027	975	3,916	12,564
At December 31, 2018	292,199	159,177	-	104,397	89,547	645,320
Additions	1,300	339	-	1,176	3,409	6,224
Disposals	(6)	-	-	-	(2,523)	(2,529)
Other	(317)	-	-	-	-	(317)
Foreign exchange difference	(336)	(298)	-	(251)	(258)	(1,143)
At September 30, 2019	\$ 292,840	\$ 159,218	\$ -	\$ 105,322	\$ 90,175	\$ 647,555
Accumulated Depreciation						
At January 1, 2018	\$ -	\$ 87,459	\$ 33,702	\$ 73,679	\$ 104,295	\$ 299,135
Depreciation	-	5,456	1,840	5,332	6,260	18,888
Divestiture	-	(16,351)	(36,847)	-	(36,402)	(89,600)
Impairment	-	(461)	-	(1,413)	(1,577)	(3,451)
Disposals	-	(1,174)	-	(2,593)	(4,079)	(7,846)
Foreign exchange difference	-	834	1,305	392	1,900	4,431
At December 31, 2018	-	75,763	-	75,397	70,397	221,557
Depreciation	-	3,495	-	3,584	3,415	10,494
Disposals	-	-	-	-	(2,367)	(2,367)
Foreign exchange difference	-	(86)	-	(112)	(180)	(378)
At September 30, 2019	\$ -	\$ 79,172	\$ -	\$ 78,869	\$ 71,265	\$ 229,306
Net book value						
at December 31, 2018	\$ 292,199	\$ 83,414	\$ -	\$ 29,000	\$ 19,150	\$ 423,763
at September 30, 2019	\$ 292,840	\$ 80,046	\$ -	\$ 26,453	\$ 18,910	\$ 418,249

Certain property, plant and equipment have been assigned as collateral for borrowings (Note 10).

On October 13, 2017, the Company sustained a significant fire event which impacted the clubhouse at Le Maître de Mont-Tremblant. The Company has opened an insurance claim and is arranging for the reconstruction of the clubhouse. An insurance draw in the amount of \$2,400,000 was received during 2018 and was recorded as part of other expenses.

Due to deteriorating operating performance, an impairment review was conducted on the Company's Fort Lauderdale golf courses for the year ended December 31, 2018. Using management's best estimate and assumptions, the Company concluded that an impairment adjustment was warranted for Eagle Trace and Heron Bay. Reasons for impairment relate to declining operating performance. A total impairment in the amount of \$7,865,000 (US\$5,765,000) was recorded to property, plant and equipment in 2018.

On December 14, 2018, the Company sold Club de Golf Le Fontainebleau to the shareholders of Club de Golf Rosemère for net proceeds of \$8,589,000. Clublink retains a management fee arrangement of Fontainebleau and recorded a gain of \$6,268,000 on the sale.

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited)

September 30, 2019

6. PROPERTY, PLANT AND EQUIPMENT (continued)

The Company sold White Pass on July 31, 2018. As a result, this segment is being presented as discontinued operations on the Consolidated Statement of Earnings. The breakdown of depreciation expense is as follows:

(thousands of Canadian dollars)	September 30, 2019	December 31, 2018	September 30 2018
Depreciation - continuing operations	\$ 10,494	\$ 15,089	\$ 11,351
Depreciation - discontinued operations	-	3,799	3,799
	\$ 10,494	\$ 18,888	\$ 15,150

7. INTANGIBLE ASSETS

Intangible assets consist of the following:

(thousands of Canadian dollars)	Membership base	Brand	Other	Total Intangible Assets
Cost				
At January 1, 2018	\$ 12,316	\$ 13,477	\$ 2,430	\$ 28,223
Disposals	(252)	-	-	(252)
Foreign exchange difference	170	-	17	187
At December 31, 2018	12,234	13,477	2,447	28,158
Foreign exchange difference	(62)	-	(6)	(68)
At September 30, 2019	\$ 12,172	\$ 13,477	\$ 2,441	\$ 28,090
Accumulated amortization				
At January 1, 2018	\$ 4,265	\$ 4,138	\$ 1,881	\$ 10,284
Amortization	455	452	154	1,061
Disposals	(142)	-	-	(142)
Foreign exchange difference	73	-	17	90
At December 31, 2018	4,651	4,590	2,052	11,293
Amortization	340	347	116	803
Foreign exchange difference	(28)	-	(6)	(34)
At September 30, 2019	\$ 4,963	\$ 4,937	\$ 2,162	\$ 12,062
Net book value at December 31, 2018	\$ 7,583	\$ 8,887	\$ 395	\$ 16,865
Net book value at September 30, 2019	\$ 7,209	\$ 8,540	\$ 279	\$ 16,028

TWC ENTERPRISES LIMITED
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8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of the following:

(thousands of Canadian dollars)	September 30, 2019	December 31, 2018	September 30, 2018
Trade payables	\$ 7,499	\$ 3,433	\$ 8,570
Accrued payroll costs	7,342	4,104	6,355
Accrued land lease rent	-	4,487	4,704
Accrued interest	778	889	908
Income taxes payable	1,540	3,298	6,359
Accrued liabilities and other	15,644	10,640	15,996
	\$ 32,803	\$ 26,851	\$ 42,892

9. LEASE LIABILITIES

The following table represents the change in the balance of the Company's lease liabilities:

(thousands of Canadian dollars)	Land and Buildings	Equipment	Total
At January 1, 2018	\$ -	\$ 1,840	\$ 1,840
Interest expense	-	11	11
Lease payments	-	(989)	(989)
Foreign exchange	-	4	4
At December 31, 2018	-	866	866
Adoption of IFRS 16 (note 2)	21,372	531	21,903
Interest expense	784	48	832
Lease payments	(4,106)	(552)	(4,658)
Foreign exchange	-	(7)	(7)
At September 30, 2019	18,050	886	18,936
Less: current portion	4,614	469	5,083
Lease liabilities	\$ 13,436	\$ 417	\$ 13,853

Future minimum payments of finance lease liabilities are as follows:

(thousands of Canadian dollars)	Finance Lease Liabilities	Interest	Total Minimum Lease Payments
Balance of 2019	\$ 1,280	\$ 273	\$ 1,553
2020	5,093	911	6,004
2021	5,358	594	5,952
2022	4,523	289	4,812
2023	1,197	124	1,321
2024 and thereafter	1,485	73	1,558
	\$ 18,936	\$ 2,264	\$ 21,200

The above finance lease liabilities have a weighted average interest rate of 6.2% (2018 - 4.0%). The change in interest rate is a result of the adoption of IFRS 16 and incorporating the leases contemplated by this section.

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited)

September 30, 2019

10. BORROWINGS

Borrowings consist of the following:

(thousands of Canadian dollars)	September 30, 2019	December 31, 2018	September 30, 2018
Secured revolving operating line of credit to a maximum of \$50,000,000 due September 30, 2020	\$ -	\$ 20,689	\$ 1,585
Mortgages with blended monthly payments of principal and interest			
8.345% Mortgages due July 1, 2022	6,993	8,585	9,094
7.550% Mortgage due July 1, 2022	835	1,028	1,089
7.416% Mortgages due September 1, 2023	12,600	14,576	15,210
7.268% Mortgage due July 1, 2024	5,792	6,522	6,757
8.060% Mortgage due July 1, 2024	31,180	35,092	36,349
6.194% Mortgage due March 1, 2026	30,307	33,083	33,981
6.315% Mortgage due December 1, 2027	28,856	30,810	31,440
8.000% Mortgage due October 1, 2029 (US\$11,282,000; December 31, 2018 - US\$11,812,000; September 30, 2018 - US\$11,982,000)	14,941	16,114	15,511
Other	5,200	-	-
	136,704	145,810	149,431
Gross borrowings	136,704	166,499	151,016
Less: deferred financing costs	561	740	798
Borrowings	136,143	165,759	150,218
Less: current portion	20,837	18,643	18,264
	\$ 115,306	\$ 147,116	\$ 131,954

Borrowings are collateralized by certain property, plant and equipment assets (note 6).

Minimum principal debt repayments over the next five years and thereafter as at September 30, 2019 are as follows:

(thousands of Canadian dollars)	Revolving Maturities	Mortgage Payments	Other	Total Borrowings
Balance of 2019	\$ -	\$ 4,779	\$ (65)	\$ 4,714
2020	-	19,991	950	20,941
2021	-	21,471	999	22,470
2022	-	21,748	1,051	22,799
2023	-	20,512	1,104	21,616
2024 and thereafter	-	43,003	1,161	44,164
	\$ -	\$ 131,504	\$ 5,200	\$ 136,704

TWC ENTERPRISES LIMITED
Notes to Interim Condensed Consolidated Financial Statements (Unaudited)
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11. DEFERRED MEMBERSHIP FEES

Deferred membership fees consist of the following:

(thousands of Canadian dollars)	September 30, 2019	December 31, 2018	September 30, 2018
Unamortized membership fees (note 11A)	\$ 31,427	\$ 32,597	\$ 35,243
Future membership fee instalments (note 11B)	(23,180)	(22,915)	(24,183)
Deferred membership fees	\$ 8,247	\$ 9,682	\$ 11,060

Unamortized membership fees represents the portion of collected or committed membership fees that have not been booked as revenue.

Future membership fee instalments represents the amount of uncollected committed membership fee instalments. The Company forgives future instalments upon resignation of a member.

The net deferred membership fees represents the excess of membership fees collected over membership fee revenue recognized.

(A) Changes in unamortized membership fees are as follows:

(thousands of Canadian dollars)	For the nine months ended September 30, 2019	For the year ended December 31, 2018	For the nine months ended September 30, 2018
Balance, beginning of period	\$ 32,597	\$ 37,808	\$ 37,808
Sales to new members	4,433	5,122	4,326
Transfer and reinstatement fees	502	759	594
Resignations and terminations	(2,031)	(3,810)	(2,386)
Amortization of membership fees to revenue	(4,033)	(6,697)	(5,145)
Sale of Club de Golf Le Fontainebleau	-	(699)	-
Exchange difference	(41)	114	46
Balance, end of period	\$ 31,427	\$ 32,597	\$ 35,243

(B) Changes in future membership fee instalments are as follows:

(thousands of Canadian dollars)	For the nine months ended September 30, 2019	For the year ended December 31, 2018	For the nine months ended September 30, 2018
Balance, beginning of period	\$ 22,915	\$ 24,851	\$ 24,851
Sales to new members	4,433	5,122	4,326
Transfer and reinstatement fees	502	759	594
Resignations and terminations	(2,031)	(3,810)	(2,386)
Instalments received in cash	(2,610)	(3,590)	(3,229)
Sale of Club de Golf Le Fontainebleau	-	(487)	-
Exchange difference	(29)	70	27
Balance, end of period	\$ 23,180	\$ 22,915	\$ 24,183

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited)

September 30, 2019

12. REVENUE

Revenue consists of the following:

(thousands of Canadian dollars)	For the three months ended					
	September 30, 2019			September 30, 2018		
	Canadian Golf Club Operations	US Golf Club Operations	Total	Canadian Golf Club Operations	US Golf Club Operations	Total
Annual dues	\$ 12,440	\$ 1,629	\$ 14,069	\$ 13,041	\$ 1,728	\$ 14,769
Golf	14,108	1,054	15,162	12,992	1,014	14,006
Corporate events	6,260	50	6,310	6,901	58	6,959
Amortization of membership fees	1,393	87	1,480	1,726	81	1,807
Food and beverage	21,073	434	21,507	21,315	423	21,738
Merchandise	5,964	144	6,108	5,735	154	5,889
Rooms and other	2,074	30	2,104	1,943	47	1,990
	\$ 63,312	\$ 3,428	\$ 66,740	\$ 63,653	\$ 3,505	\$ 67,158

(thousands of Canadian dollars)	For the nine months ended					
	September 30, 2019			September 30, 2018		
	Canadian Golf Club Operations	US Golf Club Operations	Total	Canadian Golf Club Operations	US Golf Club Operations	Total
Annual dues	\$ 36,879	\$ 4,981	\$ 41,860	\$ 38,792	\$ 4,949	\$ 43,741
Golf	21,213	9,323	30,536	20,656	8,091	28,747
Corporate events	10,800	302	11,102	11,733	409	12,142
Amortization of membership fees	3,770	263	4,033	4,906	239	5,145
Food and beverage	34,652	2,173	36,825	35,987	2,199	38,186
Merchandise	10,253	778	11,031	10,110	792	10,902
Rooms and other	3,118	24	3,142	3,112	76	3,188
	\$ 120,685	\$ 17,844	\$ 138,529	\$ 125,296	\$ 16,755	\$ 142,051

13. SHARE CAPITAL

(A) Authorized and issued share capital

The authorized share capital is an unlimited number of common shares and preferred shares. As at September 30, 2019 there are 26,754,720 common shares outstanding (December 31, 2018 - 27,286,052). As at September 30, 2019, no preferred shares have been issued. Please refer to the consolidated statements of changes in shareholders' equity for details.

(B) Dividends

During 2018, ClubLink declared and paid four quarterly cash dividends of 2 cents per common share for a total of 8 cents per common share or \$2,186,000 for the year.

During the first, second and third quarters of 2019, TWC declared and issued three quarterly cash dividends of 2 cents per common share paid on March 29, 2019, June 14, 2019 and September 13, 2019 in the amount of \$1,638,000.

(C) Shares repurchased and cancelled

The Company was approved by the Toronto Stock Exchange for a normal course issuer bid to purchase up to 1,367,000 of its common shares which expired on September 19, 2018. From January 1, 2018 to September 19, 2018, the Company repurchased for cancellation 28,400 common shares for a total purchase price of \$346,928 or \$12.22 per common share, including commissions.

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited)

September 30, 2019

13. SHARE CAPITAL (continued)

(C) Shares repurchased and cancelled (continued)

The Company was approved by the Toronto Stock Exchange for a normal course issuer bid to purchase up to 1,366,000 of its common shares which expired on September 19, 2019. From September 20, 2018 to December 31, 2018, the Company repurchased for cancellation 31,087 common shares for a total purchase price of \$392,380 or \$12.62 per common share, including commissions. From January 1, 2019 to September 19, 2019, the Company repurchased for cancellation 530,332 common shares for a total purchase price of \$6,867,799 or \$12.95 per common share, including commissions.

The Company was approved by the Toronto Stock Exchange for a normal course issuer bid to purchase up to 1,364,000 of its common shares which will expire on September 19, 2020. From September 20, 2019 to September 30, 2019, the Company repurchased for cancellation 1,000 common shares for a total purchase price of \$13,860 or \$13.86 per share, including commissions.

In recording the repurchase and cancellation of shares, share capital is reduced by the weighted average issue price of the outstanding common shares with the differential to the purchase price being credited or charged to retained earnings.

(D) Earnings per share

Diluted earnings per share is the same as basic earnings per share.

14. INTEREST, NET AND INVESTMENT INCOME

Interest, net and investment income consists of the following:

(thousands of Canadian dollars)	For the three months ended		For the nine months ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Revolving lines of credit	\$ 49	\$ 437	\$ 122	\$ 1,678
Non-revolving mortgages	2,417	2,737	7,508	8,423
Lease liabilities	294	12	832	38
Line of credit from/to related party	(386)	13	(1,186)	543
Amortization of deferred financing costs	58	98	188	284
Other	25	(51)	34	(40)
Interest revenue and investment income	(1,140)	(724)	(3,372)	(896)
	\$ 1,317	\$ 2,522	\$ 4,126	\$ 10,030

15. OTHER ITEMS

Other items consist of the following loss (income) items:

(thousands of Canadian dollars)	For the three months ended		For the nine months ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Gain on property, plant and equipment	\$ (167)	\$ (125)	\$ (462)	\$ (407)
Insurance proceeds	(394)	(2,043)	(860)	(1,488)
Foreign exchange loss (gain)	(1,027)	1,398	4,952	1,398
Unrealized loss (gain) on shares held for trading	943	(2,492)	3,685	(2,492)
Other	288	93	279	(116)
	\$ (357)	\$ (3,169)	\$ 7,594	\$ (3,105)

TWC ENTERPRISES LIMITED
Notes to Interim Condensed Consolidated Financial Statements (Unaudited)
September 30, 2019

15. OTHER ITEMS (continued)

As part of the White Pass transaction, sale proceeds were received in US funds. On the date of the sale, July 31, 2018, the exchange rate was 1.3017. On March 8, 2019, \$90,000,000 US of the proceeds were converted to Canadian at a rate of 1.3430, resulting in a realized foreign exchange gain of \$3,717,000. On April 24, 2019, a further \$20,000,000 US of the proceeds were converted to Canadian at a rate of 1.3430, resulting in a realized foreign exchange gain of \$826,000, for a total of \$4,543,000.

16. RELATED PARTY TRANSACTIONS

The immediate parent and controlling party of the Company is Paros Enterprises Limited (“Paros”) and its parents – S.N.A. Management Limited. These companies are privately-owned companies whose shareholder is the Chairman, President and Chief Executive Officer of the Company – K. (Rai) Sahi.

K. (Rai) Sahi, the Chairman, President and Chief Executive Officer of the Company is also the controlling shareholder of Morguard Corporation (“Morguard”).

The Company has provided an unsecured revolving demand credit facility to Morguard in the amount of \$50,000,000 (June 30, 2018 - \$30,000,000), with no fixed maturity date. Morguard has provided an unsecured revolving demand credit facility to TWC in the amount of \$50,000,000 with no fixed maturity date. These facilities bear interest on a basis consistent with the entity’s borrowing costs.

Summarized information regarding these facilities is as follows:

(thousands of Canadian dollars)	For the three months ended		For the nine months ended		For the year ended
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	December 31, 2018
Loan receivable from Morguard	45,780	8,272	45,780	8,272	47,809
Net interest receivable (payable)	386	(13)	386	(13)	365
Net interest earned (incurred)	386	(13)	1,186	(543)	269

The Company has provided an unsecured revolving demand credit facility to Paros in the amount of \$5,000,000, with no fixed maturity date. Paros has provided an unsecured revolving demand credit facility to TWC in the amount of \$5,000,000 with no fixed maturity date. These facilities bear interest at prime plus 1%. During 2019 and 2018, there were no advances or repayments under this facility.

The purpose of these above credit facilities is to allow each of the above entities to manage its financing activities in the most effective manner.

The Company has provided an unsecured revolving demand credit facility to an investment in joint venture in the amount of \$3,000,000, with no fixed maturity date. This facility bears interest at prime plus 1.25%. As at September 30, 2019, the amount receivable on this facility was \$1,528,000 (September 30, 2018 - nil). Interest receivable at September 30, 2019 was \$9,000 (September 30, 2018 - nil), and interest earned amounted to \$9,000 for the three and nine months ended September 30, 2019 (September 30, 2018 - nil).

The Company receives managerial and consulting services from Morguard. The Company paid a management fee of \$521,000 for the nine month period ended September 30, 2019 (September 30, 2018 - \$255,000), under a contractual agreement, which is included in operating expenses. For the three months ended September 30, 2019, the Company paid a management fee of \$173,000 (three months ended September 30, 2018 – \$135,000). Morguard also provides back-office services to ClubLink US Corporation. The Company paid a management fee of US\$345,000 (CDN\$459,000) for the nine month period ended September 30, 2019 (September 30, 2018 - US\$345,000; CDN\$444,000) under a contractual agreement, which is included in direct operating expenses. For the three months ended September 30, 2019, the Company paid US\$115,000 (CDN\$152,000) in management fees (three months ended September 30, 2018 – US\$115,000; CDN\$151,000).

A total of US\$39,000 of rental revenue was earned by TWC for the nine month period ended September 30, 2019 (September 30, 2018 - US\$39,000) from Morguard relating to a shared office facility in Florida. For the three months ended September 30, 2019, rental revenue earned was US\$13,000 (for the three months ended September 30, 2018 – US\$13,000).

All related party transactions were made in the ordinary course of business and on substantially the same terms including interest rates and security as for comparable transactions with parties of a similar standing.

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17. SEGMENTED INFORMATION

TWC's reportable segments are strategic business units that offer different services and/or products. The Company's operating segments have been determined based on reports reviewed that are used to make strategic decisions by the President and CEO, the Company's chief operating decision maker.

TWC is engaged in golf club operations under the trademark "ClubLink One Membership More Golf". TWC is Canada's largest owner, operator and manager of golf clubs with 53½, 18-hole equivalent championship and 3½, 18-hole equivalent academy courses (including one managed property), at 41 locations in two separate geographic Regions: (a) Canada and (b) United States.

TWC's golf clubs are strategically organized in clusters that are located in densely populated metropolitan areas and resort destinations frequented by those who live and work in these areas. By operating in regions, TWC is able to offer golfers a wide variety of unique membership, corporate event and resort opportunities. TWC is also able to obtain the benefit of operating synergies to maximize revenue and achieve economies of scale to reduce costs.

TWC was also engaged in rail and port operations based in Skagway, Alaska which operate under the trade name of "White Pass & Yukon Route". This includes a tourist railway stretching approximately 110 kilometres (67.5 miles) from Skagway, Alaska to Carcross, Yukon. On June 6, 2018, TWC announced that it entered into a purchase and sale agreement to sell the White Pass rail and port operations to a joint venture for proceeds of US\$290,000,000. Closed on July 31, 2018, the transaction represented a sale of the complete rail, port and merchandise operations of White Pass. This segment is being presented as discontinued operations in the financial statements.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. Any inter-segment transfers are recorded at cost.

Geographical information is not separately presented as the industry segments operate in separate and distinct geographical segments on their own.

Three Months Ended September 30, 2019

(thousands of Canadian dollars)	Canadian Golf Club Operations	US Golf Club Operations	Corporate Operations	Total
Operating revenue	\$ 61,919	\$ 3,341	\$ -	\$ 65,260
Direct operating expenses	(44,573)	(4,572)	(939)	(50,084)
Net operating income (loss)	17,346	(1,231)	(939)	15,176
Amortization of membership fees	1,393	87	-	1,480
Depreciation and amortization	(4,540)	(453)	-	(4,993)
Other items	888	(74)	(457)	357
Segment earnings (loss) before interest and income taxes	\$ 15,087	\$ (1,671)	\$ (1,396)	12,020
Interest, net (unallocated)				(1,317)
Provision for income taxes (unallocated)				(3,381)
Net earnings (continuing operations)				\$ 7,322
Capital expenditures	\$ 1,868	\$ 40	\$ -	\$ 1,908

TWC ENTERPRISES LIMITED

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September 30, 2019

17. SEGMENTED INFORMATION (continued)

Three Months Ended September 30, 2018

(thousands of Canadian dollars)	Canadian Golf Club Operations	US Golf Club Operations	Corporate Operations	Total
Operating revenue	\$ 61,927	\$ 3,424	\$ -	\$ 65,351
Direct operating expenses	(45,014)	(4,634)	(940)	(50,588)
Net operating income (loss)	16,913	(1,210)	(940)	14,763
Amortization of membership fees	1,726	81	-	1,807
Depreciation and amortization	(3,445)	(595)	-	(4,040)
Land lease rent	(1,097)	-	-	(1,097)
Other items	2,278	(91)	982	3,169
Segment earnings (loss) before interest and income taxes	\$ 16,375	\$ (1,815)	\$ 42	14,602
Interest, net (unallocated)				(2,522)
Provision for income taxes (unallocated)				(3,234)
Net earnings (continuing operations)				\$ 8,846
Capital expenditures	\$ 1,833	\$ 291	\$ -	\$ 2,124

Nine months ended September 30, 2019

(thousands of Canadian dollars)	Canadian Golf Club Operations	US Golf Club Operations	Corporate Operations	Total
Operating revenue	\$ 116,915	\$ 17,581	\$ -	\$ 134,496
Direct operating expenses	(91,247)	(16,475)	(2,673)	(110,395)
Net operating income (loss)	25,668	1,106	(2,673)	24,101
Amortization of membership fees	3,770	263	-	4,033
Depreciation and amortization	(13,788)	(1,389)	-	(15,177)
Other items	1,078	54	(8,726)	(7,594)
Segment earnings (loss) before interest and income taxes	\$ 16,728	\$ 34	\$ (11,399)	5,363
Interest, net (unallocated)				(4,126)
Provision for income taxes (unallocated)				(1,192)
Net earnings (continuing operations)				\$ 45
Capital expenditures	\$ 6,134	\$ 90	\$ -	\$ 6,224

TWC ENTERPRISES LIMITED

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17. SEGMENTED INFORMATION (continued)

(thousands of Canadian dollars)	Nine months ended September 30, 2018			Total
	Canadian Golf Club Operations	US Golf Club Operations	Corporate Operations	
Operating revenue	\$ 120,390	\$ 16,516	\$ -	\$ 136,906
Direct operating expenses	92,512	(16,369)	(2,472)	(111,353)
Net operating income (loss)	27,878	147	(2,472)	25,553
Amortization of membership fees	4,906	239	-	5,145
Depreciation and amortization	(10,373)	(1,780)	-	(12,153)
Land lease rent	(3,292)	-	-	(3,292)
Other items	2,045	78	982	3,105
Segment earnings (loss) before interest and income taxes	\$ 21,164	\$ (1,316)	\$ (1,490)	18,358
Interest, net (unallocated)				(10,030)
Provision for income taxes (unallocated)				(2,558)
Net earnings (continuing operations)				\$ 5,770
Capital expenditures	\$ 6,081	\$ 604	\$ -	\$ 6,685

18. COMMITMENTS AND CONTINGENCIES

As at December 31, 2018 and September 30, 2019, TWC has \$1,018,000 outstanding in letters of credit against its corporate credit facility.

As at September 30, 2019, TWC has \$2,000,000 outstanding in letters of credit issued in its name with a Morguard credit facility.

From time to time, TWC and certain of its subsidiaries, employees, officers and/or directors are defendants in a number of legal actions arising in the ordinary course of operations. In the opinion of management, it is expected that the ultimate resolution of such pending legal proceedings will not have a material effect on TWC's consolidated financial position.

19. SUBSEQUENT EVENT

On November 4, 2019, the Company declared a 2 cents per common share cash dividend, payable December 13, 2019 to shareholders of record on November 29, 2019.

GOLF CLUB AND RESORT PROPERTY LISTING

	Championship Golf Holes	Academy Golf Holes	Future Golf Holes	Current Rooms	Surplus Land in Acres
ONTARIO/QUEBEC REGION					
Prestige					
1. Greystone Golf Club, Milton, Ontario	18	–	–	–	–
2. King Valley Golf Club, The Township of King, Ontario	18	–	–	–	–
3. RattleSnake Point Golf Club, Milton, Ontario	36	9	–	–	–
Hybrid – Prestige					
4. Glen Abbey Golf Club, Oakville, Ontario	18	–	–	–	–
Platinum					
5. Blue Springs Golf Club, Acton, Ontario	18	9	–	–	–
6. Club de Golf Islesmere, Laval, Quebec (a)	27	–	–	–	–
7. Club de Golf Rosemère, Blainville, Quebec (b)	18	–	–	–	–
8. DiamondBack Golf Club, Richmond Hill, Ontario	18	–	–	–	–
9. Eagle Creek Golf Club, Dunrobin, Ontario	18	–	–	–	–
10. Emerald Hills Golf Club, Whitchurch-Stouffville, Ontario	27	–	–	–	–
11. Glencairn Golf Club, Milton, Ontario	27	–	–	–	–
12. Grandview Golf Club, Huntsville, Ontario	18	–	18	–	–
13. Heron Point Golf Links, Ancaster, Ontario	18	–	–	–	–
14. Kanata Golf & Country Club, Kanata, Ontario	18	–	–	–	–
15. King's Riding Golf Club, The Township of King, Ontario	18	–	–	–	–
16. Le Maître de Mont-Tremblant, Mont-Tremblant, Quebec	18	–	–	–	–
17. Rocky Crest Golf Club, Mactier, Ontario	18	–	18	–	–
18. The Lake Joseph Club, Port Carling, Ontario	18	9	–	–	–
19. Wyndance Golf Club, Uxbridge, Ontario	18	9	–	–	–
Gold					
20. Caledon Woods Golf Club, Bolton, Ontario	18	–	–	–	–
21. Club de Golf Hautes Plaines, Gatineau, Quebec	18	–	–	–	–
22. Eagle Ridge Golf Club, Georgetown, Ontario	18	–	–	–	–
23. Glendale Golf and Country Club, Hamilton, Ontario	18	–	–	–	–
24. Greenhills Golf Club, London, Ontario (a)	18	–	–	–	–
25. GreyHawk Golf Club, Ottawa, Ontario	36	–	–	–	–
26. National Pines Golf Club, Innisfil, Ontario (a)	18	–	–	–	–
27. Station Creek Golf Club, Whitchurch-Stouffville, Ontario	36	–	–	–	–
28. The Country Club, Woodbridge, Ontario (a)	36	9	–	–	–
Hybrid – Gold					
29. Cherry Downs Golf & Country Club, Pickering, Ontario	18	9	18	–	–
30. Club de Golf Val des Lacs, Ste. Sophie, Quebec	18	–	–	–	–
31. The Club at Bond Head, Bond Head, Ontario (a)	36	–	–	–	–
Hybrid – Silver					
32. Bethesda Grange, Whitchurch-Stouffville, Ontario	18	–	–	–	–
33. Hidden Lake Golf Club, Burlington, Ontario	36	–	–	–	–
Daily Fee					
34. Grandview Inn Course, Huntsville, Ontario	–	9	–	–	–
35. Rolling Hills Golf Club, Whitchurch-Stouffville, Ontario	36	–	–	–	–
Muskoka, Ontario Resorts					
36. The Lake Joseph Club, Port Carling, Ontario	–	–	–	25	–
37. Rocky Crest Resort/Lakeside at Rocky Crest, Mactier, Ontario (c)	–	–	–	84	–
38. Sherwood Inn, Port Carling, Ontario	–	–	–	49	–
FLORIDA REGION					
Hybrid – Prestige					
1. TPC Eagle Trace, Coral Springs, Florida	18	–	–	–	–
Hybrid – Platinum					
2. Club Renaissance, Sun City Center, Florida	18	–	–	–	–
Gold					
3. Scepter Golf Club, Sun City Center, Florida	27	–	–	–	–
Hybrid – Gold					
4. Woodlands Country Club, Tamarac, Florida	36	–	–	–	–
Hybrid – Silver					
5. Sandpiper Golf Club, Sun City Center, Florida	27	–	–	–	–
Daily Fee					
6. Heron Bay Golf Club, Coral Springs, Florida	18	–	–	–	–
7. Palm Aire Country Club (Oaks, Cypress), Pompano Beach, Florida	36	–	–	–	–
8. Palm Aire Country Club (Palms), Pompano Beach, Florida	18	–	–	–	–
OTHER					
Kings Point Golf Club, Sun City Center, Florida (d)	–	–	–	–	51
Caloosa Greens Golf Club, Sun City Center, Florida (d)	–	–	–	–	70
Highland Gate, Aurora, Ontario (50%)	–	–	–	–	101
Falcon Watch Golf Club, Sun City Center, Florida (d)	–	–	–	–	116
North Lakes Golf Club, Sun City Center, Florida (d)	–	–	–	–	170
King Haven, The Township of King, Ontario	–	–	–	–	278
Harwood, Montreal, Quebec	–	–	–	–	400
Total 18-hole Equivalent Courses, Rooms, Acres	53.5	3.5	3.0	158	1,186

Notes: (a) Operated by ClubLink under long-term leases.
(b) Property managed by ClubLink (formerly known as Club de Golf Le Fontainebleau)
(c) Rocky Crest Resort consists of 65 units and Lakeside at Rocky Crest consists of 19 units.
(d) North Lakes, Falcon Watch, Caloosa Greens and Kings Point Golf Clubs are closed.

CORPORATE DIRECTORY

BOARD OF DIRECTORS

FRASER BERRILL (c)
PATRICK S. BRIGHAM (b, c)
PAUL CAMPBELL (b, c)
JOHN LOKKER (a)
SAMUEL J.B. POLLOCK (a, b)
ANGELA SAHI (a)
K. (RAI) SAHI
DONALD TURPLE (a)
JACK D. WINBERG (b, c)

(a) Audit Committee
(b) Corporate Governance and Compensation Committee
(c) Environmental, Health and Safety Committee

OFFICERS

K. (RAI) SAHI
Chairman, President and Chief Executive Officer

ANDREW TAMLIN
Chief Financial Officer

ROBERT VISENTIN
Senior Vice President, Investments

ROBERT WRIGHT
Vice President

JOHN A. FINLAYSON
Chief Operations Officer, Canadian Golf Operations
Vice President, Florida Golf Operations

JAMIE KING
Vice President, Sales, Canadian Golf Operations

BRENT MILLER
Vice President, Corporate Operations and Member Services,
Canadian Golf Operations

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To change your address, eliminate multiple mailings, transfer shares or for any other inquiry, please contact AST Trust Company (Canada) at the above co-ordinates.